

Master Seminar “Development Economics”

Introduction

Development Economics, in a classical sense, is trying to understand why certain economies are underdeveloped and impoverished, why there is child labour, corruption, a lack of human and physical capital, of good quality institutions, or of democracy. After understanding the issues in a purely economic or political-economic framework, economists try to offer strategies of overcoming these problems of development. Within the seminar we will discuss a selection of these topics.

General Information and Prerequisites

The seminar is intended for students of the Master Programme in Economic Policy (MEPS), the language of all parts of the seminar (thesis, presentation and discussion) will be English. Students are advised to successfully pass the courses on “Economic Policy” and “Development Economics” beforehand, however this is not a prerequisite.

To successfully pass the seminar, participants must write a seminar thesis and prepare and give a presentation of their thesis and participate actively in the discussions during the seminar. Complete attendance throughout the seminar is mandatory, including all presentations and the introductory meeting. Grading will be based on the individual grades for the thesis, the presentation and the discussions. You can find hints for how to write good seminar theses, how to cite properly and formal requirements on the chair’s homepage. Strict adherence to these rules is expected, violation will result in a lower grade or failure.

Application and Registration

Students who would like to participate in the seminar write an e-mail with the subject “*Seminar: Development Economics*” to LSHefeker@uni-siegen.de. The application must include the following:

1. Matriculation number
2. A set of your **five most preferred topics**, ranked highest to lowest preference of all announced topics. Alternatively, you may also suggest a topic on your own from the field of “Development Economics”.
3. A list of all successfully attended courses thus far. Please send a PDF-File.

The seminar topics will be assigned according to urgency (e.g. if the seminar is the last remaining requirement for the Master’s degree) and indicated preferences. If several applicants choose the same topic, the topic is assigned by drawing a lot. Each topic will be assigned only once. The maximum number of participants is 12. Applicants who do not receive a topic are put on a waiting list and can join the seminar if slots become vacant.

Application deadline is February 28, 2018. Applications are accepted beginning now. Applicants will be notified whether or not their application was successful by March 15, 2018 and in case of success will also receive their assigned topic.

Successful applicants must register for the seminar in unisono until March 29, 2018. De-registration is also possible until that date. Only registration in unisono guarantees the seminar slot, failure to do so until March 29, 2018 will result in the loss of the seminar slot. Registration for the seminar without an assigned topic will result in failure, so **do not register for the seminar without having been assigned a topic!**

Please note the guidelines for application, registration and examination regarding seminars (in German only) : http://www.wiwi.uni-siegen.de/pruefungsamt/pruefungen/anmeldung_seminare/anmeldung_vwl_seminare.html?lang=de

Procedure of the Seminar

The seminar begins on April 17, 2018, 19h s.t. (room tba) with a compulsory introductory meeting. In this meeting, all necessary information regarding supervision, writing the thesis, and plagiarism will be discussed. Failure to participate in the introductory meeting will result in immediate failure of the whole seminar, i.e. absent participants will receive the grade 5.0 for the whole of the seminar.

The seminar thesis must be submitted no later than June 26, 2018.

Each participant must submit two printed copies of the seminar thesis at our chair (offices of secretary, Mr Schäfer, or Mr Röhlig/Mr Klamka) or in our postbox near the Dean’s office on the ground floor of Unteres Schloß. Participants must also send a **single** PDF-file containing the thesis to LSHefeker@uni-siegen.de. The PDF-file must be identical to the submitted printed copies.

The seminar will take place on July 13-14, 2018, 9h-18h (room US-A 223).

Please note also the information on the seminar homepage:

https://www.wiwi.uni-siegen.de/ewp/readings/ss_2018/seminar_development_economics_summer2018.html

Deadlines and due dates

As of now	Begin of the application period
February 28, 2018	End of the application period
March 15, 2018	Assignment of topics
March 29, 2018	End of the (de-) registration period in unisono (Do not register if you do not have a topic!)
April 17, 2018	Compulsory introductory meeting (19h s.t. – 20h, room tba)
June 26, 2018	Submission deadline for the thesis, both printed and electronic copies
July 13-14, 2018	Seminar (9h – 18h, room US-A 223)

Topics

These sources are only a starting point. We expect you to identify and use further literature relevant to your topic!

1. Institutions and Development

Ashraf, N., E. Glaeser, and G. Ponzetto, 2016, "Infrastructure, Incentives, and Institutions", *American Economic Review*, 106 (5), 77-82.

Glaeser, E., R. La Porta, F. Lopez-de-Silanes and A. Shleifer, 2004, "Do Institutions Cause Growth?", *Journal of Economic Growth*(9), 271-303.

Knack, S. and P. Keefer, 1995, "Institutions and Economic Performance: Cross-Country Tests Using Alternative Institutional Measures," *Economics and Politics* 7(3): 207-227.

Rodrik, D., A. Subramanian, and F. Trebbi, 2004, "Institutions Rule: the Primacy of Institutions over geography and Integration in Economic Development," *Journal of Economic Growth* 9(2): 131-165.

2. Corruption

Hoff, Karla and Joseph E. Stiglitz, 2005, "The Creation of the Rule of Law and the Legitimacy of Property Rights: The Political and Economic Consequences of a Corrupt Privatization," *Policy Research Working Paper No. 3779*, The World Bank.

Mauro, P., 1995, "Corruption and Growth," *Quarterly Journal of Economics* 110(3): 681-712.

Shleifer, A., and R. W. Vishny, 1993, "Corruption," *Quarterly Journal of Economics* 108(3): 599-617.

3. Economic Development and Structural Change

Acemoglu, D. and M. Dell (2010): "Productivity Differences Between and Within Countries," *American Economic Journal: Macroeconomics*, 2:1, 169–188.

Diao, X, K. Harttgen, and M. McMillan (2017): "The Changing Structure of Africa's Economies", NBER Working Paper No. w23021.

Herrendorf, B., R. Rogerson and A. Valentinyi (2014): "Growth and Structural Transformation", in: Aghion, P. and S. Durlauf (ed.), *Handbook of Economic Growth* (2), 855-941.

4. Inequality and Development

Aghion, P., E. Caroli, and C. García-Peñalosa, 1999, "Inequality and Economic Growth: The Perspective of the New Growth Theories," *Journal of Economic Literature* XXXVII(4): 1615-1660.

Deininger, K. and L. Squire, 1998, "New Ways of Looking on Old Issues: Inequality and Growth," *Journal of Development Economics* 57: 259-287.

Galor, O., and J. Zeira, 1993, "Income Distribution and Macroeconomics," *Review of Economic Studies* 60: 35-52.

Lin, J. and D. Rosenblatt, 2012, "Shifting Patterns of Economic Growth and Rethinking Development", *Journal of Economic Policy Reform* 15 (3), 171-194.

5. Population Growth and Development

Becker, Gary, K. Murphy, and R. Tamura, 1990, "Human Capital, Fertility, and Economic Growth," *Journal of Political Economy* 98: S12-S37.

Cropper, Maureen and Charles Griffiths, 1994, "The Interaction of Population Growth and Environmental Quality," *American Economic Review*, Vol. 84, No. 2: 250-254.

Drèze, Jean and Mamta Murthi, 2001, "Fertility, Education, and Development: Evidence from India," *Population and Development Review* 27(1): 33-63.

Kremer, M., 1993, "Population Growth and Technological Change: One Million B.C. to 1990," *Quarterly Journal of Economics* 108: 681-716.

6. Poverty Traps

Matsuyama, K., 1991, "Increasing Returns, Industrialization, and Indeterminacy of Equilibrium," *Quarterly Journal of Economics* 106: 617-650.

Murphy, Shleifer, and Vishny, 1989, "Industrialization and the Big Push," *Journal of Political Economy* 97(5): 1003-1026.

Kremer, 1993, "The O-Ring Theory of Economic Development," *Quarterly Journal of Economics* 108(3): 551-575.

Galor and Zeira, 1993, "Income Distribution and Macroeconomics," *Review of Economic Studies* 60: 35-52.

7. Dutch Disease, Resource Curse, and the Paradox of Plenty

Davis, Graham A., 1995, "Learning to love the Dutch disease: Evidence from the mineral economies," *Journal of Development Economics* 23(10): 1765-1779.

Cavalcanti, Tiago, Kamiar Mohaddes and Mehdi Raissi, 2011, "Does Oil Abundance Harm Growth?," *Applied Economics Letters* 18(12): 1181-1184.

Djankov, S., J. G. Montalvo and M. Reynal-Querol, 2008, "The curse of aid," *Journal of Economic Growth* 13 (3): 169-94.

Norman, C. S., 2009, "Rule of Law and the Resource Curse," *Environmental and Resource Economics* 43(2): 183-207.

8. Natural Resources and Development

Amin, M. and S. Djankov, 2009, "Natural Resources and Reforms", World Bank Policy Working Paper No. 4882.

Davis, Graham A., 1995, "Learning to love the Dutch disease: Evidence from themineral economies," *Journal of Development Economics* 23(10): 1765-1779.

Sachs, J., and A. Warner, 2001, "The Curse of Natural Resources", *European Economic Review* (45), 827-838.

9. Economic Development and the Environment

Acemoglu D., P. Aghion, L. Bursztyn and D. Hemous (2012): "The Environment and Directed Technical Change", *American Economic Review*, 102(1), 131-66.

Barr C. and J. Sayer (2012): "The Political Economy of Reforestation and Forest Restoration in Asia-Pacific: Critical Issues for REDD+", *Biological Conservation*, 154, 9-19.

Dasgupta, P, 2010, "The Place of Nature in Economic Development", *Handbook of Development Economics* (5), 4977-5061.

10. Trade and Development

Edwards, S., 1993, "Openness, Trade Liberalization, and Growth in Developing Countries", *Journal of Economic Literature* Vol. XXXI, 1358-1393.

Harrison, A. and A. Rodríguez-Clare, 2010, Trade, Foreign Investment, and Industrial Policy for Developing Countries, *Handbook of Development Economics* 5, 4039-4214.

Greenwald, Bruce and Joseph E. Stiglitz, 2006, "Helping Infant Economies grow: foundations of trade policies for developing countries," *American Economic Review* 96(2): 141-146.

11. Debt Accumulation and Debt Relief

Cassimon, Danny and Bjorn Van Campenhout, 2007, "Aid Effectiveness, Debt Relief and Public Finance Response: Evidence from a Panel of HIPC Countries," *Review of World Economics* 143(4): 742-763.

Easterly, William, 2002, "How did Highly Indebted Poor Countries Become Highly Indebted? Reviewing Two Decades of Debt Relief," *World Development* 30(10): 1677-1696.

Michaelowa, Katharina, 2003, "The political economy of the enhanced HIPC-Initiative," *Public Choice* 114: 461-476.

12. Seigniorage and Debt

Easterly, William and Klaus Schmidt-Hebbel, 1993, "Fiscal Deficits and Macroeconomic Performance in Developing Countries," *World Bank Research Observer* 8(2): 211-237.

Ize, Allain, 2007, "Spending Seigniorage: Do Central Banks Have A Governance Problem," *IMF Working Papers* WP/06/58. Download: <http://www.imf.org/external/pubs/ft/wp/2006/wp0658.pdf>

13. Exchange Rate Regimes, Capital Controls, and Development

Chang, Roberto and Andrés Velasco, 2000, "Exchange-Rate Policy for Developing Countries," *American Economic Review* 90(2): 71-75.

Glick, Reuven and Michael Hutchison, 2005, "Capital controls and exchange rate instability in developing economies," *Journal of International Money and Finance* 24(3): 387-412.

Husain, Aasim M., Ashoka Mody, and Kenneth S. Rogoff, 2005, "Exchange rate regime durability and performance in developing versus advanced economies," *Journal of Monetary Economics* 52(1): 35-64.

14. The Industrial Revolution as an Example for Development

Clark, Gregory, 2005, "Human Capital, Fertility, and the Industrial Revolution," *Journal of the European Economic Association* 3(2-3): 505-515.

Crafts, N. F.R. and C. K. Harley, 1992, "Output growth and the British industrial revolution: a restatement of the Crafts-Harley view," *The Economic History Review* 45(4): 703-730.

De Vries, Jan, 1994, "The Industrial Revolution and the Industrious Revolution," *Journal of Economic History* 54: 249-270.

15. The Washington Consensus and Policy Experiences

Rodrik, D., 2006, "Goodbye Washington Consensus, Hello Washington Confusion? A Review of the World Bank's Economic Growth in the 1990s: Learning from a Decade of Reform", *Journal of Economic Literature* (44). 973-987.

Stiglitz, J., 2005, "More Instruments and Broader Goals: Moving toward the Post-Washington Consensus.", In: *Wider Perspectives on Global Development*. 16-48.

Lin, J., 2014, "The Washington Consensus Revisited: A New Structural Economic Perspective", *Journal of Economic Policy Reform* 18 (2), 96-113.